



State Aid for Local Transportation

STATE FUND GRANTEE USER GUIDE

*Local Road Improvement Program, Local Bridge Replacement
Program, Safe Routes to School*



Notes:

1. Blue shade indicates actions by State Aid. Green indicates actions by local agency.
2. Projects with federal funds must also follow federal DCP process
3. State earmarked projects have other considerations and process, including demonstration of full funding. Earmark recipients should schedule a separate kick-off meeting with State Aid Programs Engineer and DSAE.

1

PROJECT SELECTION LETTER

After the competitive solicitation for Local Road Improvement Program (LRIP) and Safe Routes to School (SRTS) programs, State Aid Programs group sends selection letters to inform applicants of anticipated award amount. The Local Bridge Replacement Program (LBRP) does not provide selection letters since there is not a competitive solicitation.

2

DETERMINE STATE FUND-ELIGIBLE ITEMS

Local agency works with the District State Aid Engineer (DSAE) to determine LRIP, SRTS, or LBRP eligible items and set up the plan and estimate accordingly. Local agency requests State Aid Project (SAP) number for non-federally funded projects or State Project (SP) number for federally funded projects if it doesn't already exist. Send SAP/ SP number to State Aid Programs group for tracking purposes.

3

DEVELOP PLANS, SPECS, AND ESTIMATES

Local agency develops plans, specifications, and estimates, in cooperation with DSAE.

For bridge projects, local agency completes LBRP funding application and obtains signatures from DSAE. Local agency informs State Aid Programs Engineer that the project is beginning the design phase.

4

SEND 100% ENGINEER'S ESTIMATE TO STATE AID

For projects both with and without federal funds, local agency sends 100% engineer's estimate to DSAE. For projects with no federal funding, DSAE forwards engineer's estimate to Programs group for review and requests state funding letter. Note that bridge projects with no federal funding may or may not receive state bridge funds at this time, depending on availability of funds. Those bridge projects that cannot be funded are added to the waiting list and will be considered for funding when bridge funds become available.

For projects with federal funding, greater Minnesota DSAEs forward engineer's estimate to the CO State Aid Federal Aid group for review. CO State Aid Federal Aid group (for greater Minnesota projects) or Metro State Aid requests state funding letter from Programs group.

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REVIEW ESTIMATE FOR ELIGIBILITY; ISSUE STATE FUNDING LETTER

Programs group reviews engineer's estimate for eligibility and issues state funding letter with initial estimate of state grant amount as well as a summary of other funding sources. Programs group works with State Aid Finance to reserve state fund grant amount in the State Aid Accounting System. Programs group also provides additional instructions to local agency related to the state fund grant agreement.

For bridge projects, Programs group issues state funding letters to projects with federal funding or other projects on the bridge waiting list when funds are appropriated by the legislature or otherwise become available. For this reason, state bridge funding availability can be unpredictable.

6

DEVELOP DRAFT AGREEMENT; ADVERTISE PROJECT AND OPEN BIDS; SEND LOW BID DOCS TO STATE AID

Local agency develops draft of the state fund grant agreement and requests review from Programs group. Concurrently, local agency advertises the project and opens bids. Local agency determines apparent low bidder and after consulting with DSAE. For projects with no federal funding, local agency sends low bid documents to State Aid Finance, with copy to DSAE and Programs group, requesting final state funding determination.

For projects with federal funds, local agency sends low bid documents to the CO State Aid Federal Aid group or Metro State Aid for final funding determination (Metro performs final funding analysis for Metro projects), with copy to DSAE. CO State Aid Federal Aid group (for greater Minnesota projects) or Metro State Aid requests final state funding determination from State Aid Finance with a copy to Programs group.

7

REVIEW LOW BID DOCS; ISSUE ENCUMBRANCE LETTER

State Aid Finance and Programs group review low bid documents and determine final state funding eligibility and state grant award amount. State Aid Finance issues encumbrance letter with final state funding determination and adjusts amount in the State Aid Accounting System.

Note that for projects that also have federal funds, the encumbrance letter will be issued after the local agency submits DCP-08.

8

COMPLETE STATE FUNDING GRANT AGREEMENT

Local agency completes the state funding grant agreement based on amounts from the encumbrance letter, including council or board resolution accepting the grant and authorizing appropriate parties to sign the grant agreement. While not required, local agencies often award the construction contract at the same council or board meeting. Local agency sends signed pdf version of state grant agreement to Programs group for final execution at MnDOT. Note that the state grant agreement should be fully executed before work begins on the project. Please contact the Programs Engineer if this will be an issue.

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ROUTE STATE GRANT AGREEMENT FOR FINAL SIGNATURES

Programs group routes state grant agreement for final signatures at MnDOT and sends local agency a pdf of the fully executed state grant agreement.

10

SUBMIT STATE AID PAY REQUESTS TO SEEK REIMBURSEMENT WITH STATE FUNDS AFTER EXPENSES ARE INCURRED

Local agency constructs project and submits partial and final state aid pay requests to DSAE. Note that state grant funds are paid on a reimbursable basis, similar to federal funds. Local agency required to work with DSAE as it would on any other state aid project, including request final inspection and closeout.

For more information, contact:

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